

~~4683~~
Memphis Tenn.

25th May, 1863

Ainslee U. S. Ass.

Citizens

Transmits Statement
of the proceedings &
condition of the
Commercial Bank
of Tenn.

(One Enclosure)

Cits

J. W. Page Jr. Cash.

W. M. Folwell, Pres.

Commercial Bank of Tennessee

Particular attention
paid to Collections.

Memphis, Tenn. May 25th 1853

Col. Melancthon Smith
Prest Marshall Sir

In Compliance with your
Request - I beg leave to present the accompanying
Statement taken from our books, which I hope will
prove satisfactory - and in conclusion I would respectfully
submit the following statement

The Commercial Bank is a regularly chartered
Bank, chartered by the Legislature of Tennessee in about the
Year 1850 and transferred to William M. Folwell and
Jesse W. Page Jr about the year 1858 - and ever since its
commenced operation it has had a circulation which
has never been discredited -

For sometime previous to the first of January
last - we saw that we could use an additional amount of
our circulation profitably in the negotiation of bills of Exchange
and thereby render additional facilities to the business com-
munity - We issued the money on a Tennessee basis by

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paying it out with other genuine money or checks drawn by depositors against genuine money deposited - thereby of course receiving or holding in the place of our money paid out, an equivalent amount of other genuine money: - and on several occasions when we had a surplus of genuine money on hand, we gave it away to some of our depositors for U.S. Treasury notes - at par - although at that time genuine money commanded a premium over Treasury notes. -

Up to the time no one in the community thought strange of an outturn, as we have always done since the suspension of the bank of Tennessee in classing our money as the same as other solvent genuine money - giving other good genuine money for ours when presented for exchange or redemption - On the contrary genuine money was demanded for it. It was deposited as such with other genuine money - Received as such with other genuine money on genuine checks, and by all regarded - as it has always been considered genuine money.

If when genuine money was so eagerly bought up

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by speculators - at as high a premium as ten per cent over legal tender notes - we had taken advantage of the peculiar seasons now put forth by the money speculators - and had refused to give other Tennessee money for ours - I am satisfied in my own mind that they would have been made the same hue and cry about our offering depreciated money - or paper money at a discount below our own.

Now I cannot see why any person can reasonably demand - that at one time when Tennessee money is worth a premium of ten per cent over green backs - we should be required to redeem all the money commanding the premium - and at another time when greenbacks are worth 10 or 20 per cent more than Tennessee money we should be required to redeem - not in the same kind of money as before - but in Treasury notes.

In the course I have adopted I claim that I have not departed from the custom established by such of the banks together with our bank ever since their suspension - that is of giving for an bank notes, when presented - other Tennessee money -

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even this exchange was freely gratuitous and voluntary on our part. So by the accompanying act - suspending the banks from specie payment - the banks are not required to receive their money with any kind of bank notes - but on the contrary - declare "that the policy of the Banks of Tennessee in retarding and diminishing their circulation, is detrimental to the public interest; and that they be required to reverse their policy and increase their circulation, so as to answer the public want;" See Sec 4 Chap 25. herewith -

So you will perceive that instead of stopping them from issuing additional circulation when allowed to do so by their Charter - after suspension - they are required to do so -

You will notice some difference between the old and new circulation of this bank - the former being counter-signed by the Cashholder - the latter not - which is explained by the fact that since the first was issued - the Charter was by act of the Legislature changed from a free to a stock bank & it is not necessary for the circulation of any of the stock

S. W. Page to Cashr

W. M. Folwell, Pres.

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Bank to be counter-signed

Some time after the outbreak of the war bank notes commanded a premium over Confederate money which was the current bankable money for all kinds of commercial transactions - still we adhered to the same course - we did not take advantage of the opportunity to redeem our Confederate money and give nothing else - but gave other Tennessee money - no matter how high a premium it commanded over Confederate money.

You will see from the accompanying statement that we were in circulation since Aug 1st 1861 Fifty one thousand dollars since which time we have redeemed principally in U.S. Treasury notes Thirty seven thousand one hundred & twenty five dollars leaving balance in circulation Thirty three thousand eight hundred and Twenty five dollars -

If it shall be decided that our money shall lose its character as Tennessee money, which it will certainly will - if we are ordered to redeem in U.S. Treasury notes

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unless the unremitted duty is required of us - to
draw in which ever paper money happens to be with the
most - that is we shall be required to consider it Tennessee
money when Tennessee is with most - and shall not consider
it Tennessee money, when Georgia notes are with most -
We respectfully ask that you will establish, upon
what base it shall circulate in the community - so
that there may be a general understanding upon the
subject and that we may be relieved from the future
malicious complaints of Shylocke - who are guided in such
matters entirely by their pecuniary interests - and who do
not hesitate to prostitute their peculiar position to the
furtherance of their own selfish motives.

In conclusion I would
respectfully state - in regard to the bank
removing its assets South - that none of its
assets have been removed South in any
manner or shape whatever - either before or since

S. W. Page & Cash.

W. M. Folwell, Pres.

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the occupation of Memphis by the United States
authorities.

Request your favorable consideration
Yours respectfully
M. Folwell

Commercial Bank of Tenn —
Capital Stock \$50000 00

Peter W Page Jr — Interest \$25000
The Heirs of W. W. Mayo — late of Aberdeen
Mississippi —

Full extent of circulation 60000

~~5000~~ dollars - old circulation
25000, issued since Jan 1st 1863.

\$50000 " in Tennessee State Bonds deposited
during the year 1850 — the time when said
bank was organized —

The claim exemption, from redemption of
our issues, by virtue of an Act of the
Legislature of Tenn, authorizing the
Tenn Banks to suspend Specie payment

Our Bank is a bank of deposit —
of this court

Amount of Specie on hand belonging to
Bank, \$40000 —

1863

— *Wm. H. May Jr.* —

District of Memphis, 16th Army Corps.

Benton Marshall's Office